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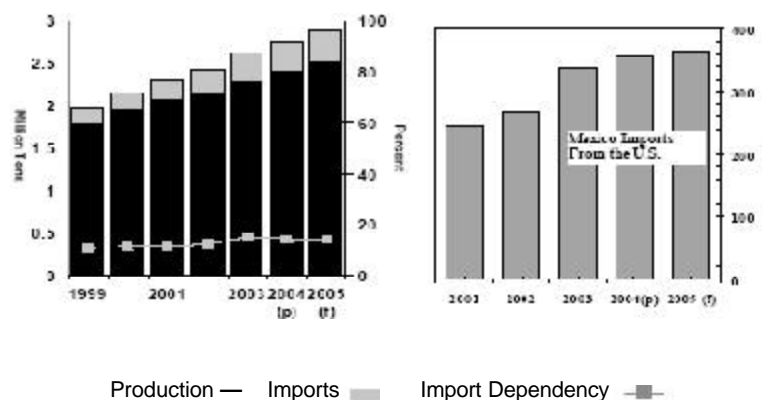
During the week of March 21, 2005 Mexico announced an outbreak of low pathogenic avian influenza in Durango, a state in northern Mexico. The strain was identified as H5N2, not the highly pathogenic H5N1 in Asia. The outbreak prompted the slaughter of approximately 2 million chickens, a million more were placed under quarantine. The outbreak has affected at least 31 flocks of broiler breeders and egg type layers. According to SAGARPA, approximately 19 companies are participating in the operation to contain the flu. The outbreak was identified as part of Mexico's permanent avian influenza monitoring program.

According to some, the outbreak seems to be under control with product being placed into the food chain for consumers. Mexico currently has 4 thousand businesses that produce 34 million chickens a month, approximately 9% of their monthly production, has been affected by the latest outbreak in some fashion. There are no reports as to the source of the bird flu, but people are noting that Mexico had recently resumed poultry imports from Texas, United States into Secretary of Agriculture (SAGARPA) authorized processing plants.

Texas had low pathogenic avian influenza last year. Import restrictions are currently in effect for the U.S. states of California, Connecticut, Delaware, Maryland, Missouri, New Jersey, North Carolina, Pennsylvania and Texas; and are ineligible from the Texas counties of Gonzales, Guadalupe, Galdwell, Bastrop, Fayette, La Vaca, De Witt, Karnes, Wilson, Comal and Hays. States with export restrictions are allowed to export poultry meat and poultry products to Mexico to plants authorized by SAGARPA for thermal treatment (cooking).

The United States Department of Agriculture (USDA) does not restrict poultry imports due to a low pathogen bird flu outbreak. In 2004, the United States imported 23,760 dozen shell eggs from Mexico. Mexico also signed a free trade agreement with Japan last September that is expected to increase egg products exports to Japan by 30% in 2005. Some are predicting Mexico to export 9,000 tons of powdered eggs in 2005 to Japan and even more in 2006. Poultry meat exports to Japan are expected to take time to develop before significant amounts are exported.

Mexican Broiler Industry



Sources: USDA/FAS AND VARIOUS news sources

Russia

Imported poultry prices were stable through February, 2005, while domestic prices rose for whole birds and leg quarters. However, it is anticipated that prices may rise this spring due to high international prices. In early 2005, continued poor implementation of the poultry quota and pork and beef TRQs for the second straight year exacerbated the effect of rising world prices on the Russian market.

A brief survey of the different types of retail food outlets was done in and around Moscow. Moscow is often used to show emerging Russian trends. Some trends of interest include only the open air farmer's markets carried imported poultry other than branded whole birds in hypermarkets. Fresh and frozen domestic poultry producers are making aggressive steps to capture imported poultry's last market segment in Moscow, the low price category of the farmer's markets. In the past, both fresh and frozen could be bought unpackaged or in frozen bulk sizes, now packaging is ubiquitous for frozen, even in the farmer's markets.

High volume producers are struggling to supply the large retailers and are beginning to exit the farmer's markets due lack of supply. In 2003 food retail sales were up 20%, HRI up 6% and food processing up 5%. As a result of the high demand due in part to an increased price gap with red meat, high domestic prices, continued investment in production and continued new introduction of processed poultry products, broiler production is forecast to grow 13%. In order to attract more customers, poultry producers are diversifying production and have recently introduced halal and kosher production methods. Many experts believe as the balance of the country follows Moscow's lead, poultry and the sophistication of its business practices will shift consumption away from pork and beef.

Russia is currently negotiating its membership into the World Trade Organization (WTO). The WTO main partners in trade have agreed to preserve meat quotas and the possible continuation of making quotas. Russia plans to preserve meat import quotas until 2009. In a proposed agreement with the U.S. to allow Russia into the WTO, Russia would not increase meat import quotas by more than 2.5% a year.

The poultry import quota is based on safeguard investigation. Law provides only for an limited extension if the industry successfully claim injury from imports. The poultry industry is anticipated to push to convert the quota into a TRQ after it expires which will allow the government to continue support and protect domestic producers. The import quota for 2005 on poultry meat was unchanged in overall volume and allocation from 2004. Russia's poultry imports fell 4% during 2004 when compared to year ago numbers and are anticipated to decrease 7% in 2005 due to tariff rate quota and licensing problems.

Russian government officials have also signed a document stating that if some supplying country is banned due to an unfavorable epizootic situation, an economic entity has the right for re-issuance of the license for import of the same kind of goods from another country, irrespective of the size of quota established for the country.

Sources: USDA/FAS and various news sources

Inspected Egg Products-U.S. & Canada Export/Import Trade**U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Week Ending April 02, 2005	Year-To-Date			
TYPE	2005	2004 1/	2005 2/	2004
Liquid	406	97	3,043	2,071
Frozen	0	0	0	0
Dried	3	0	82	187
Total	409	97	3,125	2,258

U.S. Imports From Canada, in Pounds (000) (Preliminary)

Week Ending April 02, 2005	Year-To-Date			
TYPE	2005	2004 1/	2005 2/	2004
Liquid	85	37	2,010	1,159
Frozen	7	127	309	466
Dried	0	80	300	824
Total	92	244	2,619	2,449

Inspected Shell Eggs**U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

Week Ending April 02, 2005	Year-To-Date			
TYPE	2005	2004 1/	2005 2/	2004
Jumbo	0	0	33	50
Extra Large	950	1,530	6,450	4,980
Large	4,350	860	16,980	11,913
Medium	2,250	2,010	14,085	11,880
Ungraded	1,440	4,794	9,140	24,218
Misc	0	3,160	2,263	5,350
Total	8,990	12,354	48,951	58,391

1/ Comparable Week, to-date figures may not total due to rounding.

2/ Includes revisions to previous week(s).

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section
Source: USDA/AMS Poultry Programs, Market News Branch.**U.S./Canadian Live Poultry Slaughtered Under Inspection**

W/E 2-Apr-05 (PRELIMINARY)

U.S. Fowl Slaughtered Domestically

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	1,671	1,421	3,092
Last Week	1,711	1,356	3,067
Same week yr ago	1,234	1,172	2,406
To-date/2005	19,302	17,098	36,400
To-date/2004	16,508	16,378	32,886

U.S. Fowl Slaughtered in Canada

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	404	0	404
Last Week	110	0	110
Same week yr ago	211	0	211
To-date/2005	3,864	11	3,875
To-date/2004	3,149	39	3,188

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

Total U.S. Fowl slaughtered in the U.S. and Canada

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	2,075	1,421	3,496
Last Week	1,821	1,356	3,177
Same week yr ago	1,445	1,172	2,617
To-date/2005	23,166	17,109	40,275
To-date/2004	19,657	16,417	36,074

Source: USDA/AMS Poultry Programs, Market News Branch

CENTRAL REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

Apr 08, 2005

CHICKEN WITH SKIN ADDED

FAT CONTENT	--- PRICES ---		---- VOLUME ----	
	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	26.00	40,800	-
WTD AVERAGE		26.00		
15-20%				
RANGE	24.00-29.00	16.00-28.00	1,378,000	80,800
WTD AVERAGE	25.89	21.24		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

EASTERN REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

Apr 08, 2005

CHICKEN WITH SKIN ADDED

FAT CONTENT	--- PRICES ---		---- VOLUME ----	
	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	18.25	18.50-28.00	540,000	260,000
WTD AVERAGE	18.25	22.57		
15-20%				
RANGE	16.50-30.00	18.50-28.00	1,788,000	1,308,000
WTD AVERAGE	23.00	26.21		
20% OR MORE				
RANGE	-	19.00	80,000	-
WTD AVERAGE		19.00		

* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS AND BULK MEAT, FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 08 APRIL 2005.

The market tone on tom drums and necks was at least steady; tom 2-joint wings mixed, but mostly steady; and tom full-cut wings steady to instances weak. Demand moderate to good on tom full-cut wings for domestic and export shipments and on tom drums for export shipments, balance of tom bulk parts demand light to moderate. Offerings of tom wings ranged adequate to ample, tom necks light, balance light to adequate. Domestic trading was moderately heavy on fresh tom breast meat, moderate on tom full-cut wings, balance light. Export trading was light to moderate. For domestic: frozen 2-10 lb. -20% fat ground turkey 56, frozen thigh trim with bone fragments 47, Grade A and plant grade non-basted 8-10 lb. breasts 95, fresh wing meat with skin 106-110, fresh scapula 119-127, fresh ground breast trim 142-147 cents delivered. Fresh thigh meat traded 92 cents delivered export.

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME	WEEKLY	WEEKLY
FRIDAY, APRIL 08, 2005	RANGE	CODE 1/	PRICE	(000)	PRICE	VOLUME
DRUMSTICKS, TOMS	41.00-42.00		41.28	144	40.93	892
WINGS FULL-CUT - TOMS	25.00-35.00		31.06	264	27.73	760
WINGS, V-TYPE, TOM	38.00		38.00	104	39.80	260
TAILS		T	26.00	40	26.00	40
MECHANICALLY SEPARATED 2/	33.00		33.00	144	32.81	560
THIGH MEAT - FROZEN	89.00		89.00	40	87.23	624

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
THURSDAY, APRIL 07, 2005	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	40.00-42.00		40.58	344
WINGS FULL-CUT - TOMS	25.00-27.00		25.70	352
WINGS, V-TYPE, TOM	38.00-47.00		41.00	156
TAILS		T	26.00	40
MECHANICALLY SEPARATED 2/		W	33.33	312
THIGH MEAT - FROZEN	88.00		88.00	80

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
WEDNESDAY, APRIL 06, 2005	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	42.00		42.00	40
WINGS FULL-CUT - TOMS		T	26.56	144
WINGS, V-TYPE, TOM		R	38.00	104
TAILS		T	26.00	40
MECHANICALLY SEPARATED 2/	33.00-34.00		33.33	312
THIGH MEAT - FROZEN	88.00		88.00	400

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
TUESDAY, APRIL 05, 2005	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	41.00		41.00	104
WINGS FULL-CUT - TOMS	26.00-28.00		26.56	144
WINGS, V-TYPE, TOM		R	38.00	104
TAILS	26.00		26.00	40
MECHANICALLY SEPARATED 2/	31.00		31.00	104
THIGH MEAT - FROZEN		M	83.00	104

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
MONDAY, APRIL 04, 2005	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	41.00		41.00	260
WINGS FULL-CUT - TOMS		F	28.30	184
WINGS, V-TYPE, TOM		R	38.00	104
TAILS				
MECHANICALLY SEPARATED 2/		F	34.00	40
THIGH MEAT - FROZEN	83.00		83.00	104

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY
2/ Product contains 15-20% fat with skin added.